

parental responsibility. Real welfare reform should promote the basic family unit, and crack down on those who deliberately walk away from meeting the needs of their children. The disincentives to a sound family structure also must be changed. More and more children are growing up without the moral guidance and financial support of parents, especially fathers. This is a tragedy of our time.

We also no longer can tolerate the blatant abuses of the system. Last year, I was shocked to learn the extent to which prisoners are able to continue to receiving welfare benefits. The workfare bill we passed last year included my amendment to crack down on prisoner welfare fraud. I am pleased this provision is in the current bill. It would put an end to cash payments to alcohol and drug addicts, which only subsidizes their habits.

Several years ago, President Clinton promised America he would change welfare as we know it. Two years ago, Congress made the same promise. Last year Congress delivered on that promise and passed workfare. Unfortunately, President Clinton vetoed that workfare bill. I hope the President will do the right thing this time and support our workfare legislation.

Again, I am proud to be part of this effort to enact workfare legislation. The workfare bill before us would end welfare dependency by requiring work and placing a time limit on benefits. We can change the welfare system and encourage people to become self-sufficient and productive members of society, once again. We can provide more protection for children. I hope my colleagues on both sides of the aisle will show the same support for workfare that we demonstrated last year. Americans deserve more than a handout for today, they deserve the hope and happiness that come through personal financial independence and the self-realization of work.

Mr. GRAMS. Mr. President, I rise today in support of the legislation before us to reform our failed welfare system. I commend the majority leader for getting this legislation to the floor—I know it has taken a concentrated effort to bring us to this point.

Since the beginning of the 104th Congress, we have been debating the state of this Nation's welfare system. Everyone understands that the system is broken. It encourages illegitimacy. It fails to recognize the importance of marriage and family. It offers no hope or opportunity for those Americans who are trapped within its layers of bureaucracy.

Of course, it was not supposed to be this way.

After signing the 1964 Welfare Act, President Lyndon Johnson proclaimed, "We are not content to accept the endless growth of relief rolls or welfare rolls," and he promised the American people that "the days of the dole in our country are numbered." The New York

Times predicted the legislation would lead to the restoration of individual dignity and the longrun reduction of the need for Government help.

In 1964, America's taxpayers invested \$947 million to support welfare recipients—an investment which President Johnson declared would eventually, quote, "result in savings to the country and especially to the local taxpayers" through reductions in welfare caseloads, health care costs, and the crime rate. Yet, 30 years later, none of those predictions have materialized, and the failure of the welfare system continues to devastate millions of Americans every day—both the families who receive welfare benefits and the taxpayers who subsidize them.

Despite a \$5.4 trillion investment in welfare programs since 1964, at an average annual cost that had risen to \$3,357 per taxpaying household by 1993:

One in three children in the United States today is born out of wedlock.

One child in seven is being raised on welfare through the Aid to Families with Dependant Children Program.

And our crime rate has increased 280 percent.

Mr. President, those are the kinds of devastating statistics which until the 104th Congress were ignored by the bureaucratic establishment in Washington. Those are the statistics this legislation will finally address. By rewriting Federal policies and working in close partnership with the States, we can create a welfare system which will effectively respond to the needs of those who depend upon it, at the same time it protects the taxpayers.

Our legislation sets in place the framework for meeting those needs by offering opportunity, self-respect, and most importantly, the ability for those who are down on their luck to take control of their own lives.

And yes, we are asking something of them in return.

The most significant change in our welfare system is that we will require able-bodied individuals to work in exchange for the assistance they receive from the American taxpayers.

Mr. President, my colleagues and I have come to the floor repeatedly this session to suggest that our present welfare system promotes dependency by discouraging recipients from working. In fact, the Government routinely makes it so easy for a welfare recipient to skip the work and continue collecting a Federal check that there's absolutely no incentive to ever get out of the house and find work. And if someone actually takes the initiative to get a job, they risk forfeiting their welfare benefits entirely.

Last year, during Senate consideration of the "Work Opportunity Act," Senator SHELBY and I joined forces to ensure that welfare recipients receive benefits only after they work. After all, American taxpayers are putting in at least 40 hours on the job each week, and are sometimes forced to take an additional job or work overtime hours

just to make ends meet. I believe welfare recipients should be held to the same standards, the same work ethic, to which the taxpayers are held. Those beliefs are reflected in this legislation.

Under our pay-for-performance provisions, welfare recipients will be required to work in exchange for their benefits. If an adult is not employed within 2 years, the benefits will stop. Is that enough of a push to make a difference? Yes, according to the Congressional Budget Office. It released a report this month which estimates these tough work requirements will put 1.7 million people who are currently on welfare into the work force. That is almost four times the number of welfare recipients who are working today.

To ease their transition into the job market and help single parents find accessible and affordable child care, we fold seven major Federal child-care programs into a child care and development grant, with total funding of \$22 billion over 7 years.

In addition, Mr. President, our bill recognizes that locally elected officials—our State legislators and Governors—are more capable than their unelected counterparts in far-off Washington to administer effective programs on the State and local level. And so this welfare reform legislation will give States like Minnesota the flexibility to make their own rules and develop their own innovative programs, and in doing so assist those who need our help most.

But despite all the good this legislation will accomplish, I must temper my enthusiasm with my disappointment that the only way to move this bill forward was to strip away its Medicaid reform provisions. Mr. President, the administration cannot hope to resolve the problems with the Medicaid system by turning its back and pretending these problems do not exist. At some point, they will be forced to deal with a system that is too unwieldy and unable to fully serve the needy. By demanding, by threat of veto, that we tackle Medicaid another day, the administration has ensured that political gamesmanship has won out over political will.

The sensible Medicaid reforms outlined in the original reconciliation package would strengthen the system by increasing Medicaid spending from \$96.1 billion in 1996 to \$137.6 billion in 2002. That is an average annual rate of growth of 6.2 percent. States would be given additional flexibility in delivering care, while Federal protections would be maintained to ensure that those who need Medicaid's assistance will not be denied.

Unfortunately, those reforms will now have to wait. But I can assure you that they will be revisited—if not by this Congress and this administration, then certainly by the next.

Mr. President, the legislation before us today to overhaul our failed welfare programs is a positive step away from a system which has held nearly three